


MEMORANDUM

September 13, 2006

TO: Mark Sidran, Chairman
Patrick Oshie, Commissioner
Phil Jones, Commissioner

FROM: Penny Hansen, Regulatory Analyst 

SUBJECT: Rulemaking to reduce the advance notice for filing a rate decrease for passenger transportation (bus) companies in Chapter 480-30, Docket No. TC-060177

RE: Adoption Hearing, September 13, 1:30 p.m.

Background

On January 11, 2006, the commission issued a Notice of Further Proceedings to inform stakeholders of the status of Docket TC-020497 (passenger carrier chapter rewrite rulemaking). The notice advised stakeholders of the commission's intent to start a new rulemaking inquiry to consider rules for ratesetting and the need for and potential alternatives to continued economic regulation of passenger transportation service.

On February 16, 2006, the commission filed with the Code Reviser a CR-101, Preproposal Statement of Inquiry, and opened a rulemaking to consider whether it should propose rules in chapter 480-30 WAC relating to rates (fares) and ratemaking for passenger transportation companies regaled under chapter 81.68 RCW.

The commission asked for stakeholder comments addressing the level of competition in the industry and the need for continued regulation of entry, rates and service quality standards. The commission hosted three workshops to discuss the various issues with stakeholders in April, May and June.

Discussion

On July 17, 2006, Chairman Mark Sidran sent a letter to all participants in the passenger transportation rulemaking stating that "making a finding of effective competition with in the transportation market is an important precursor to being more flexible in our approach to approving fares." The letter also indicated the commission will pursue legislation to give the commission the flexibility to tailor entry and fare-setting standards to the market conditions within specific geographic areas.

On August 4, 2006, the commission issued a CR-102 to seek comments on a proposed rule (WAC 480-30-306 Tariffs and time schedules) that would reduce the advance notice for filing rate decreases from seven days notice to one day. The purpose of the rule change is to allow companies more flexibility to adjust rates to respond to market conditions.

The commission received a couple of comments regarding its legislation proposal, however, there were no comments received regarding the specific rule proposal.

Conclusion

The commission may consider adoption of the proposed rule WAC 480-30-306 to allow one calendar day notice for passenger transportation companies to implement decreases in rates.

AMENDATORY SECTION (Amending General Order No. R-533, Docket No. TC-020497, filed 6/8/06, effective 7/9/06)

WAC 480-30-306 Tariffs and time schedules, ((seven)) one calendar day notice to the commission. A company must provide at least ((seven)) one calendar ((days)) day's notice to the commission for filings whose only purpose is to implement decreases in rates.